

ORDER NO. 2601

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;  
Tony Hammond, Vice Chairman;  
Mark Acton;  
Ruth Y. Goldway; and  
Nanci E. Langley

Periodic Reporting  
(Proposal Four)

Docket No. RM2015-12

NOTICE OF PROPOSED RULEMAKING ON ANALYTICAL PRINCIPLES  
USED IN PERIODIC REPORTING  
(PROPOSAL FOUR)

(Issued July 20, 2015)

I. INTRODUCTION

On July 17, 2015, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate an informal rulemaking proceeding to consider changes to analytical principles relating to periodic reports.<sup>1</sup> Proposal Four is attached to the Petition and identifies the proposed analytical method change as a change relating to the use of the Summary of International Revenue and Volume Outbound

---

<sup>1</sup> Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Four), July 17, 2015 (Petition).

statistical system (SIRVO) in the International Cost and Revenue Analysis (ICRA) report. *Id.* The Postal Service concurrently filed a nonpublic library reference, along with an application for nonpublic treatment of materials.<sup>2</sup>

## II. SUMMARY OF PROPOSAL

The Postal Service explains that the ICRA processing currently uses 20 individual quarterly international accounting datasets to provide country-specific outbound mail flow data for 46 individual countries and four regional aggregated country groupings. Petition, Proposal Four at 2. International accounting data have been the source of the mail flow data for countries not reported in the ICRA inputs by SIRVO. *Id.*

Under Proposal Four, the Postal Service seeks to use expanded SIRVO data in lieu of international accounting data. *Id.* The Postal Service asserts that the change does not materially affect the overall workings of the ICRA because the use of the SIRVO data is parallel to the use of the international accounting data. *Id.* The Postal Service states this change will streamline the ICRA data sources by eliminating 16 of the 20 datasets and retaining only four files for outbound Priority Mail Express International data that are not provided by SIRVO. *Id.* at 2. Further, Proposal Four will include data for the 186 additional countries/territories currently subsumed in the four regional aggregate groups. *Id.*

The Postal Service states that despite movement in the costs for individual products because of the new weighting scheme, overall costs will remain the same (to within one ten-thousandth of 1 percent) due to the ICRA benchmarking process. *Id.* at 4. The Postal Service identifies 36 changes that differ by more than \$0.01 and 1 percent at the same time as a result of Proposal 4. *Id.* at 3. By way of example, the

---

<sup>2</sup> Notice of Filing of USPS-RM2015-12/NP1 and Application for Nonpublic Treatment, July 17, 2015 (Notice). The Library Reference is USPS-RM2015-12/NP1—Nonpublic Material Relating to Proposal Four (SIRVO Inputs to ICRA). The Notice incorporates by reference the Application for Non-Public Treatment of Materials contained in Attachment Two to the December 29, 2014, United States Postal Service Fiscal Year 2014 Annual Compliance Report. Notice at 1. See 39 CFR part 3007 for information on access to nonpublic material.

Postal Service represents that the shift to the SIRVO data sources will increase the volume-variable costs for International Priority Airmail and International Surface Airlift by \$125,000 and \$85,000, respectively. *Id.* The Postal Service asserts that this cost change is isolated in outbound products covered by SIRVO and any affected NSAs in the international settlements estimates. *Id.* The Postal Service also asserts that the only market dominant category to experience a change of 1 percent or more was the total volume-variable cost increase of \$10,000 for Outbound International Cards to Transition System Countries at Universal Postal Union rates. *Id.* at 4.

### III. INITIAL COMMISSION ACTION

The Commission establishes Docket No. RM2015-12 for consideration of matters raised by the Petition. Additional information concerning the Petition may be accessed via the Commission's website at <http://www.prc.gov>. Interested persons may submit comments on the Petition and Proposal Four no later than August 31, 2015. Reply comments are due no later than September 15, 2015. Pursuant to 39 U.S.C. 505, James F. Callow is designated as officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

### IV. ORDERING PARAGRAPHS

*It is ordered:*

1. The Commission establishes Docket No. RM2015-12 for consideration of the matters raised by the Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Four), filed July 17, 2015.
2. Comments are due no later than August 31, 2015. Reply comments are due no later than September 15, 2015.

3. Pursuant to 39 U.S.C. 505, the Commission appoints James F. Callow to serve as officer of the Commission (Public Representative) to represent the interests of the general public in this docket.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams  
Acting Secretary